Economics Information

Ontario

BEEF FEEDLOT COST STUDY

SOUTHERN AND WESTERN ONTARIO

1982

ECONOMICS BRANCH

ONTARIO MINISTRY OF AGRICULTURE AND FOOD
LEGISLATIVE BUILDINGS, TORONTO, ONTARIO, M7A 1B6

BEEF FEEDLOT COST STUDY

Southern and Western Ontario
27 Records, 1982

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July 1983

ISBN 0-7743-8675-4

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BEEF FEEDLOT COST STUDY, 1982

THE BEEF FEEDLOT COST STUDY has been an ongoing project since 1969 when six feedlot operators from Brant County provided data on their feedlot operations and farm business, using the Ontario Farm Record Book. In 1972, the study was expanded and data has been obtained from the cooperators' CANFARM records. In 1982, data was derived from CANFARM records, Ontario Farm Record Book and personal accounting systems.

The purposes of the study are:

1. To determine the income and expenses of feedlot operations;

2. To obtain physical input-output ratios; and

3. To provide data for comparison to cooperating feedlot operators and to extension workers.

THE SAMPLE

Twenty-seven feedlot operators cooperated in the Beef Feedlot Cost Study in 1982. They were located in Brant, Elgin, Essex, Dufferin, Durham, Huron, Norfolk, Oxford, North and South Simcoe, Waterloo, Wellington, and Wentworth counties. Each cooperator produced about 500 or more hundredweight of beef and averaged 100 or more head on feed.

Several of the farmers had other livestock and some had income from cash crops. Most of the roughages and 68 percent of the grains fed to the feeder cattle were produced on the farm. Most operators purchased protein supplements, and salt and minerals.

The feeder cattle were purchased in the West and at feeder sales in Ontario. Most of the feeder cattle were beef breeds, with some dairy or exotic crosses.

METHODS USED IN HANDLING PRODUCTION INPUTS AND OUTPUTS

County Agricultural Representatives Branch personnel supervised the CANFARM records of the cooperating farmers and a Beef Feedlot Summary was prepared by the Economics Branch. Appropriate data extracted from CANFARM and other records has been used to prepare this report.

All inputs purchased and outputs sold were recorded as cash expenses and income whether the transaction was cash or credit and were entered at actual values. Physical quantities of inputs and of outputs sold were recorded.

Income and expenses directly attributable to the feedlot were credited and charged to the feedlot. Farm assets and other expenses were valued and allocated to the feedlot as described in the following section.

Real Estate

Land and buildings were valued at current market prices. Depreciation on feedlot buildings was calculated at 5 percent of the original value and charged to the feedlot according to the proportion used for the feedlot.

Machinery and Equipment

Depreciation was calculated on the original cost at the rate of 15 percent for powered machinery and at 10 percent for nonpowered machinery. The depreciation was charged to the feedlot according to the use of the machine in the feedlot.

Livestock

Feeder cattle on hand at the beginning and ending of the year were valued at the market price appropriate for the weight and type of cattle.

Indirect Expenses

If there was no other livestock enterprise on the farm, the indirect expenses were allocated to the feedlot according to the following rates. An adjustment was made in the percentage allocation if there was another livestock enterprise on the farm.

Indirect expenses	*% to feedlot*
Machinery repair	10
Car (gas, lic., rep., ins., to $700)	30
Wages & salaries	50
Interest paid	60
Taxes, real estate	50
Building repair & maintenance	80
Hydro & telephone	75
Farm insurance	75
Miscellaneous farm expense	40

Crops and Supplies

Purchased feeds were recorded at actual cost. Homegrown feeds were valued similarly for all cooperators for inventory and transfer to the feedlot enterprises. Price quotes from the Economics Branch, Monthly Crop and Livestock Report were used for inventory values of the homegrown grains and the average yearly price for transfer value.

Roughages consumed were valued using the following method. Corn silage was valued on the basis that one ton was equivalent to seven bushels of grain corn. The calculated value for corn silage was $20 per ton. Hay was valued on a nutrient fed basis at 2½ times that of corn silage; and haylage, oatlage, and barlage were valued at ½ that of hay. The inventory and transfer values used for the study are shown in Table 1.

Perquisites

Beef slaughtered for home use was credited as income to the beef feedlot.

Table 1.—Inventory Values and Transfer Prices of Homegrown Feeds

Feeds	Inventory value January 1, 1982	Inventory value December 31, 1982	Transfer value
		dollars	
Wheat, bu., feed	3.35	2.72	3.12
Oats, bu.	1.90	1.55	1.77
Barley, bu.	2.68	2.18	2.50
Mixed grain, bu.	2.23	1.82	2.08
Grain corn, bu.	2.87	2.54	2.80
Corn silage, ton	22.00	20.00	20.00
Haylage, ton	28.00	25.00	25.00
Hay, ton	55.00	50.00	50.00
Straw, ton	44.00	40.00	40.00

Labor

There was no allowance for operator and family labor.

Interest on Equity

No calculation was made for interest on equity.

DEFINITION OF TERMS

Gross Farm Income

All sales for feedlot cattle, other livestock, crops, miscellaneous items and changes in inventory for feedlot cattle, other livestock and for feeds and supplies are combined to form gross farm income.

Expenses

All inputs purchased for the farm business as well as depreciation on buildings and machinery are included in farm expenses. The purchase of real estate or machinery is not included.

Net Farm Income

Net farm income is obtained by subtracting total farm expenses from gross farm income.

Average Number on Feed

This was computed by averaging the counts of cattle on the first of each month.

Hundredweight of Beef Produced

The amount of beef produced is calculated by subtracting beginning inventory weight and purchase weight of feeder cattle from ending inventory weight and sale weight of slaughter cattle.

Value of Beef Produced

The value of production was calculated by subtracting the purchase cost of feeder cattle from the sales of slaughter cattle and adjusting for change in inventory value.

BEEF FEEDLOT STUDY, 1982

Generally declining interest charges, lower feed prices, and some periods of positive price margins led to some improvement in the fortunes of the beef feedlot operators in 1982.

The high cost of credit for the operation of the beef feedlot remained troublesome, although the trend was downward. The prime rate of interest for Canadian banks averaged over 16 percent for the year, about 3 points below that in 1981. The rate for most borrowers was one to two percentage points above prime.

The yearly weighted price of A1A2 slaughter steers over 1,000 pounds at Toronto averaged $80.54 per 100 pounds in 1982, slightly higher than the $80.00 of 1981. However, the price closed at nearly $75.00 after peaking at $90.00 in May and June, 1982. Steer calves of 500 to 600 pounds purchased in the fall of 1981 averaged about $74.70 per hundred pounds at Toronto, leading to a positive price margin when marketed in 1982. Steer calves of 500 to 600 pounds purchased at Toronto in the fall of 1982 averaged $81.10 per hundred pounds.

The value of grain fed to the feedlot enterprise accounts for about 51 percent of the total feed expense. The farm gate price for homegrown grain corn averaged $3.65 throughout 1981, and $2.79 throughout 1982, about 23 percent lower.

THE FEEDLOT FARM

Twenty of the farmers participated in both years (1981 and 1982) of the study. Eight, or 40 percent of these produced less beef in 1982 than in 1981, while 12 produced more. Overall, for the 20 farms, there was 8 percent more beef produced in 1982 than in 1981.

Gross farm income averaged $505,360 for the 27 beef feedlot operators who participated in the study in 1982. Total farm expenses averaged $484,489 per farm. Net farm income — the amount left for operator and family labor, management, and return to equity and risk, was a gain of $20,871. Beef cattle sales and inventory change accounted for 93 percent of gross farm income in 1982 compared to 69 percent in 1981 (Table 3).

Several operators had other livestock enterprises, sold cash crops and earned income from custom operations.

The feedlot operators produced nearly all of the roughages and much of the grain fed to the feedlot cattle on the 411 tillable acres (Table 5).

The farmer's equity averaged 60 percent of the total investment of $857,679 in the farm business, a decline fro 72 percent equity in 1981.

THE BEEF FEEDLOT ENTERPRISE

A review of some data from the 1979, 1980, 1981 feedlot cost studies will help to put the 1982 figures in perspective.

The 27 operators in 1982 averaged 33 more cattle on feed and produced 429 more hundredweights of beef than the 25 operators in 1981 (Table 2).

Both purchase and sale weights were lower in 1982 than in 1981 (Table 2).

Purchase price and sale price per 100 pounds averaged nearly the same in both 1981 and 1982.

In 1982, feed accounted for 66 percent of total allocated expenses compared to 68 percent in 1981 (Tables 6 and 7). Feed expenses per hundredweight of beef produced were 12 percent lower than in 1981. Total interest paid, allocated to the feedlot, was about 10 percent lower than in 1981. Total allocated expenses at $70.22 per hundredweight of beef produced were 10 percent lower than in 1981. Returns after total allocated expenses $11.07 represented a turnaround from the sizable loss of $17.40 per hundredweight of beef produced in 1981.

THE PURCHASE OF LIGHT VERSUS HEAVY FEEDER CATTLE

The records were grouped according to purchase weight of feeder cattle. There were 9 operators who purchased cattle weighing less than 600 pounds, 5 with purchase weights between 600 to 699, and 13 operators who purchased feeder cattle weighing 700 pounds and over. Average purchase weights for the 3 groups were 525, 650, and 764 pounds respectively. Average purchase price was lower for the heavier cattle than for the lighter (Table 8). This was a reversal of 1981, when purchase price was lower for the lighter cattle.

The farmers purchasing the lightest cattle fed the least amount of grain per hundredweight of beef produced and had the lowest feed costs. Those purchasing the heavier replacement cattle fed much more grain, 571 pounds per hundredweight of beef produced, but fed the least amount of roughages of the 3 groups (Table 8).

For all groups, the returns after both direct and indirect expenses were positive. The gain was greater for the 13 operators who purchased the heavier replacement cattle (Table 8). This result is opposite that for 1981 when the smallest loss was obtained by purchasing and feeding lighter cattle.

GROSS MARGIN

Gross margin is another tool for the farm manager to use in decision making. It can be used as a check on technical efficiency and in farm planning. The gross margin of an enterprise is the value of output of the enterprise less its variable costs. Variable — or direct — costs are those costs which occur because an enterprise is operated, while fixed — or indirect — costs are ongoing whether or not the enterprise is operated (e.g., property taxes and depreciation).

Gross margin is not profit. Fixed costs must be covered by the total farm gross margin to arrive at farm profit. Gross margin may vary from year to year because of price differences affecting output, and because purchased inputs may vary with changing feed prices, and incidence of illness requiring more or less veterinary service and medication. Level of management will also cause differences between farms.

Output may vary between farms because of size or type of cattle on feed. Also, items of variable cost may differ between farms. Interest paid for loans to purchase cattle may be high on some farms and very low on others.

Comparison of gross margin in one year with averages developed over several years as a kind of standard, can be a useful check on technical efficiency, provided the above points are kept in mind.

In farm planning, gross margin is only one relevant feature of an enterprise. For expansion or contraction of an enterprise, or substitution of another enterprise, the manager should keep in mind the demand on other resources, such as labor or size of present machinery or working capital. A change in size of enterprise may alter the fixed costs per unit of production.

For the one-third of the producers with the highest net returns per hundredweight of beef produced, the total variable costs were more than $3 per hundredweight lower than for the average. This was mostly accounted for by lower feed and interest costs. Coupled with the higher value of livestock produced, the gross margin was $6.90 higher per hundredweight of beef produced for the high one-third than for the average of all producers (Table 9).

Table 2.—Size, Production, Costs and Returns, Beef Feedlot Cost Study, 1979, 1980, 1981, and 1982

	1979	1980	1981	1982
Number of records	27	26	25	27
Ave. number of cattle on feed	284	290	257	290
Ave. cwt. of beef produced	2,114	1,964	1,657	2,086
Ave. purchase wt., lb.	732	676	706	695
Ave. purchase price per cwt., $	95.50	87.94	79.65	80.29
Ave. sale wt., lb.	1,176	1,125	1,149	1,104
Ave. sale price per cwt., $	79.56	79.31	78.44	78.74
PER FEEDLOT, $				
Value of beef produced	140,490	121,634	100,673	169,586
Total allocated expenses	131,669	139,320	129,529	146,533
Returns after total allocated exp.	8,821	-17,686	-28,856	23,053
PER CWT. OF BEEF PRODUCED, $				
Feed cost	42.10	46.54	52.92	46.24
Other direct costs	5.08	5.56	5.18	5.06
Indirect costs	15.12	18.88	20.06	18.92
Total allocated expenses	62.30	70.98	78.16	70.22
Returns after total allocated exp.	4.16	-9.03	-17.40	11.07

Table 3.—Farm Income and Expenses per Farm, Beef Feedlot Farms, Southern and Western Ontario, 27 Records, 1982

	All records	High[a] 1/3	Southern Ontario	Western Ontario	Your farm
Number of records	27	9	15	12	1
PER FARM					
Income:			dollars		
Feedlot sales[b]	435,175	503,468	377,146	507,711	.....
Other livestock sales	8,865	9,699	7,834	10,155	.....
Crop sales	24,018	14,137	31,746	14,358	.....
Custom work	6,959	3,030	10,814	2,140	.....
Other (rebates, etc.)	5,476	9,427	4,758	6,373	.....
Inventory change:					
Feedlot cattle	37,578	35,391	39,057	35,729	.....
Other livestock	546	-257	1,411	-535	.....
Feeds, crops, & supplies	-13,257	-7,348	-12,839	-13,779	.....
GROSS FARM INCOME	505,360	567,547	459,927	562,152	.....

(Table 3 is concluded on the next page.)

Table 3.—concluded

	All records	High[a] 1/3	Southern Ontario	Western Ontario	Your farm
Expenses:					
Livestock:					
Livestock purchases	305,403	335,621	263,937	357,235	.....
Veterinary & medicine	2,243	3,219	2,723	1,643	.....
Purchased feeds	29,799	35,961	16,207	46,789	.....
Marketing & trucking	5,508	7,477	3,752	7,703	.....
Other	934	1,604	387	1,618	.....
Crops:					
Fertilizer	13,193	15,884	14,929	11,022	.....
Sprays	5,681	7,668	6,436	4,737	.....
Seed	6,596	6,947	7,281	5,739	.....
Custom work	5,062	3,867	5,492	4,524	.....
Other	2,049	4,125	1,484	2,757	.....
Machinery & truck repairs	9,307	11,317	7,916	11,046	.....
Fuel (machinery & truck)	9,955	11,635	9,392	10,659	.....
Car	834	1,137	767	918	.....
Interest paid	41,671	34,224	44,119	38,612	.....
Hired labor	7,724	7,902	10,093	4,762	.....
Taxes	4,259	3,861	5,599	2,584	.....
Land rent	3,804	1,978	4,178	3,337	.....
Hydro & telephone	2,338	2,609	2,599	2,012	.....
Bldg. repair & maintenance ...	2,760	3,418	3,258	2,139	.....
Farm insurance	3,418	3,872	3,897	2,819	.....
Other farm expense	2,808	2,333	3,241	2,267	.....
Dep., bldg., & mach.	19,143	19,378	21,865	15,741	.....
TOTAL FARM EXPENSES	484,489	526,037	439,552	540,663	.....
RETURNS AFTER DIRECT & INDIRECT EXPENSES	20,871	41,510	20,375	21,489	.....

[a]High returns after direct and indirect expenses per hundredweight of beef produced (1/3 of all records).

[b]Does NOT include perquisites.

Table 4.—Acres and Yields of Crops Produced (Owned and Rented Land), Beef Feedlot Farms, Southern and Western Ontario, 27 Records, 1982

	All		High 1/3		Southern		Western		Your farm	
	Ac	Yld	Ac	Yld	Ac	Yld	Ac	Yld	Ac	Yld
GRAIN, bu.										
Wheat	22	44.0	21	51.0	29	42.0	13	52.0	....	....
Spring	39	61.0	43	60.0	41	59.0	37	64.0	....	....
Corn	150	91.0	161	83.0	155	99.0	144	81.0	....	....
ROUGHAGE, ton										
Hay	34	2.7	47	2.4	28	2.9	42	2.5	....	....
Corn silage	127	12.2	143	11.5	123	12.6	133	11.6	....	....
Haylage & grainlage ..	21	5.6	31	6.2	11	7.7	34	4.8	....	....
OTHER	14	xxx	9	xxx	15	xxx	11	xxx	....	....
TILLABLE PASTURE	4	xxx	-	xxx	6	xxx	2	xxx	....	xxx
TOTAL TILLABLE ACRES	411	xxx	455	xxx	408	xxx	416	xxx	....	xxx

Table 5.—Performance and Resources per Farm, Beef Feedlot Farms, Southern and Western Ontario, 27 Records, 1982

	All records	High[a] 1/3	Southern Ontario	Western Ontario	Your farm
Number of records	27	9	15	12	1
Investment, $:					
Land & buildings	433,916	452,675	539,053	302,494	.....
Machinery	141,609	127,738	150,914	129,979	.....
Feedlot cattle	195,092	210,478	182,742	210,531	.....
Other livestock	4,895	8,515	4,169	5,803	.....
Crops, feeds, & supplies	82,167	79,331	71,488	95,517	.....
TOTAL	857,679	878,737	948,366	744,324	.....
Farmer's equity, $	516,231	596,953	525,731	504,357	.....
Resource performance:					
Till. acres, own & rent	411	455	408	416	.....
Man equivalents, no.	1.9	2.3	2.1	1.8	.....
Capital turnover, years	1.7	1.5	2.1	1.3	.....
Cost control index, %	4.1	7.3	4.4	3.8	.....
Percent equity, %	60.2	67.9	55.4	67.8	.....
Feedlot performance:					
Cwt. of beef produced	2,086	2,464	1,989	2,208	.....
Ave. number on feed	290	335	278	306	.....
Death loss, no.	6.1	8.8	8.0	3.9	.....
Sales:[b]					
Number sold	500	539	453	560	.....
Price per head, $	869.48	933.98	832,38	906.96	.....
Price per cwt., $	78.74	79.45	77.09	80.35	.....
Wt. per head, lb.	1,104	1,175	1,080	1,129	.....
Purchases:					
Number purchased	544	594	506	593	.....
Price per head, $	558.15	558.79	517.15	601.91	.....
Price per cwt., $	80.29	80.09	79.93	80.63	.....
Wt. per head, lb.	695	698	647	747	.....

[a]High returns after direct and indirect expenses per hundredweight of beef produced (1/3 of all records).

[b]Does NOT include perquisites.

Table 6.—Feedlot Enterprise Income and Expenses per Farm, Beef Feedlot Farms, Southern and Western Ontario, 27 Records, 1982

	All records	High 1/3	Southern Ontario	Western Ontario	Your farm
Number of records	27	9	15	12	1
PER FARM					
Income:					
Feedlot cattle sales[a]	435,888	504,632	377,311	509,108	.....
Less livestock purchases	-303,880	-331,858	-261,678	-356,632	.....
Livestock inventory change ...	37,578	35,391	39,057	35,729	.....
VALUE OF BEEF PRODUCED	169,586	208,165	154,690	188,205	.....
Direct expenses:					
Feeds, pur. & homegrown:					
Supplement	9,354	10,748	8,980	9,821	.....
Grain*	49,180	57,506	40,690	59,792	.....
Hay	3,648	4,436	3,430	3,921	.....
Silage	28,675	30,258	30,115	26,875	.....
Haylage & grainlage	3,284	4,870	2,152	4,700	.....
Salt & mineral	962	927	834	1,123	.....
Pasture	480	-	233	788	.....
Other	898	-	417	1,500	.....
Total	96,481	108,745	86,851	108,520	.....
Bedding	2,488	3,132	2,840	2,046	.....
Veterinary & medicine	2,243	3,219	2,723	1,643	.....
Marketing & trucking	5,508	7,477	3,752	7,703	.....
Other	320	640	21	693	.....
Total direct expenses	107,040	123,213	96,187	120,605	.....
Indirect expenses:					
Machinery repair	1,745	1,866	1,741	1,749	.....
Car	171	204	139	211	.....
Interest paid	21,929	19,970	20,197	24,095	.....
Hired labor	2,612	1,696	3,022	2,099	.....
Taxes	1,408	1,254	1,831	879	.....
Hydro & telephone	983	920	918	1,064	.....
Bldg. repair & maintenance ...	1,693	1,959	1,862	1,483	.....
* % of grain purchased	31.9	37.0	11.3	49.4	.....

Table 6.—concluded

	All records	High 1/3	Southern Ontario	Western Ontario	Your farm
Insurance	1,775	1,579	2,009	1,484	.....
Other	653	715	443	915	.....
Depreciation:					
Buildings	3,147	2,992	3,513	2,690	.....
Machinery	3,377	3,242	3,367	3,389	.....
Total indirect expenses	39,493	36,397	39,042	40,058	.....
TOTAL ALLOCATED EXPENSES	146,533	159,610	135,229	160,663	.....
RETURNS AFTER DIRECT & INDIRECT EXPENSES	23,053	48,555	19,461	27,542	.....

[a]Includes perquisites.

Table 7.—Feedlot Enterprise Income and Expenses per Hundredweight of Beef Produced, Beef Feedlot Farms, Southern and Western Ontario, 27 Records, 1982

	All records	High 1/3	Southern Ontario	Western Ontario	Your farm
Number of records	27	9	15	12	1
Cwt. of beef produced	2,086	2,464	1,989	2,208	.....
Ave. number on feed	290	335	278	306	.....
No. livestock sold	500	539	453	560	.....
Sales wt. per head, lb.	1,104	1,175	1,080	1,129	.....
Sales price per cwt., $	78.74	79.45	77.09	80.35	.....
No. livestock purchased	544	594	506	593	.....
Purchase wt. per head, lb.	695	698	647	747	.....
Purchase price per cwt., $	80.29	80.09	79.93	80.63	.....
FEEDS FED PER CWT. OF BEEF PRODUCED			pounds		
Supplement	35	39	37	33	.....
Grain	480	486	410	560	.....
Hay	79	90	74	83	.....
Silage	1,375	1,228	1,514	1,218	.....
Haylage & grainlage	126	157	86	170	.....

(Table 7 is concluded on the next page.)

Table 7.—concluded

	All records	High 1/3	Southern Ontario	Western Ontario	Your farm
			dollars		
PER CWT. OF BEEF PRODUCED					
Value of beef produced	81.29	84.51	77.75	85.27	.....
Direct expenses:					
Feeds, purchased & homegrown:					
Supplement	4.48	4.36	4.51	4.45	.....
Grain	23.57	23.34	20.45	27.09	.....
Hay	1.75	1.80	1.72	1.78	.....
Silage	13.75	12.28	15.14	12.18	.....
Haylage & grainlage	1.57	1.98	1.08	2.13	.....
Salt & mineral	.46	.38	.42	.51	.....
Pasture	.23	-	.12	.36	.....
Other	.43	-	.21	.68	.....
Total	46.24	44.14	43.65	49.18	.....
Bedding	1.19	1.27	1.43	.93	.....
Veterinary & medicine	1.08	1.31	1.37	.74	.....
Marketing & trucking	2.64	3.04	1.89	3.49	.....
Other	.15	.26	.01	.31	.....
Total direct expenses	51.30	50.02	48.35	54.65	.....
Indirect expenses:					
Machinery repair	.84	.76	.88	.79	.....
Car	.08	.08	.07	.10	.....
Interest paid	10.51	8.11	10.15	10.92	.....
Hired labor	1.25	.69	1.52	.95	.....
Taxes	.67	.51	.92	.40	.....
Hydro & telephone	.47	.37	.46	.48	.....
Bldg. repair & maintenance	.81	.80	.94	.67	.....
Insurance	.85	.64	1.01	.67	.....
Other	.31	.29	.22	.41	.....
Depreciation:					
Buildings	1.51	1.21	1.77	1.22	.....
Machinery	1.62	1.32	1.69	1.54	.....
Total indirect expenses ...	18.92	14.78	19.63	18.15	.....
TOTAL ALLOCATED EXPENSES	70.22	64.80	67.98	72.80	.....
RETURNS AFTER ALLOCATED EXP. ...	11.07	19.71	9.77	12.47	.....

Table 8.—Effect of Purchase Weight of Beef Feeder Cattle on Costs per Hundredweight of Beef Produced, Beef Feedlot Farms, Southern and Western Ontario, 27 Records, 1982

	Cattle purchased, lb.			
	To 599	600 to 699	700 & over	Your farm
Number of records	9	5	13	1
Cwt. of beef produced	1,287	3,054	2,268	.....
Average number on feed	213	402	301	.....
Number sold	224	779	584	.....
Selling wt. per head, lb.	1,059	1,076	1,130	.....
Selling price per cwt., $	74.78	77.73	80.22	.....
Number purchased	241	874	628	.....
Purchase wt. per head, lb.	525	650	764	.....
Purchase price per cwt., $	82.53	81.64	79.27	.....
FEEDS FED PER CWT. OF BEEF PRODUCED		pounds		
Supplement	42	36	31	.....
Grain	302	441	571	.....
Hay	114	38	86	.....
Silage	1,531	1,733	1,127	.....
Haylage & grainlage	171	34	155	.....
PER CWT. OF BEEF PRODUCED		dollars		
Value of beef produced	74.03	75.62	87.09	.....
Direct expenses:				
Feeds, purchased & homegrown:				
Supplement	5.14	4.40	4.27	.....
Grain	15.29	20.47	28.44	.....
Hay	2.84	.95	1.73	.....
Silage	15.31	17.33	11.27	.....
Haylage & grainlage	2.13	.43	1.95	.....
Salt & mineral	.37	.57	.44	.....
Pasture	.30	-	.32	.....
Other	.21	.29	.59	.....
Total	41.59	44.44	49.01	.....

(Table 8 is concluded on the next page.)

Table 8.—concluded

	Cattle purchased, lb.			
	To 599	600 to 699	700 & over	Your farm
Bedding	1.39	1.22	1.10	.....
Veterinary & medicine	1.32	1.35	.84	.....
Marketing & trucking	1.54	1.78	3.52	.....
Other	.04	.09	.23	.....
Total direct expenses	45.88	48.88	54.70	.....
Indirect expenses:				
Machinery & truck	1.51	.50	.74	.....
Car	.09	.04	.10	.....
Interest paid	9.15	9.70	11.47	.....
Hired labor	1.20	1.66	1.06	.....
Taxes	.95	.90	.45	.....
Hydro & telephone	.66	.41	.43	.....
Building repair & maintenance	1.42	.73	.61	.....
Insurance	1.20	.83	.72	.....
Other	.44	.29	.28	.....
Depreciation:				
Buildings	2.06	1.43	1.33	.....
Machinery	1.32	1.43	1.83	.....
Total indirect expenses	20.00	17.92	19.02	.....
TOTAL ALLOCATED EXPENSES	65.88	66.80	73.72	.....
RETURNS AFTER ALLOCATED EXPENSES	8.15	8.82	13.37	.....

Table 9.—Gross Margin per Hundredweight of Beef Produced, Beef Feedlot Farms, Southern and Western Ontario, 27 Records, 1982

	All records	High 1/3	Southern Ontario	Western Ontario	Your farm
Number of records	27	9	15	12	1
			dollars		
Value of beef produced	81.29	84.51	77.75	85.27	.....
Variable costs:					
Feed	46.24	44.14	43.65	49.18	.....
Interest paid	10.51	8.11	10.15	10.92	.....
Other	5.06	5.88	4.70	5.47	.....
Total	61.81	58.13	58.50	65.57	.....
Gross margin	19.48	26.38	19.25	19.70	.....

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ISBN 0-7743-8675-4

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